

# STATE • INDIANA



INDIANA UTILITY REGULATORY COMMISSION  
302 W. WASHINGTON STREET, SUITE E-306  
INDIANAPOLIS, INDIANA 46204-2764

<http://www.state.in.us/iurc/>  
Office: (317) 232-2701  
Facsimile: (317) 232-6758

IN THE MATTER OF THE PETITION )  
OF TWIN LAKES UTILITIES, INC. )  
FOR AN INCREASE IN ITS RATES )  
AND CHARGES FOR WATER AND )  
WASTEWATER UTILITY SERVICE )  
RENDERED BY IT )

CAUSE NO. 42488

FILED

NOV 26 2003

INDIANA UTILITY  
REGULATORY COMMISSION

You are hereby notified that on this date the Indiana Utility Regulatory Commission has caused the following entry to be made:

On September 29, 2003, Twin Lakes Utilities, Inc. filed with the Commission its "Motion to Clarify or Amend Prehearing Conference Order." In its Motion, Twin Lakes requests permission to update its utility plant in service up through December 31, 2003, even though the September 17, 2003 Prehearing Conference Order in this Cause specifies a cut-off date of December 31, 2002.

On October 7, 2003, the Office of Utility Consumer Counselor filed with the Commission its "Response and Objection to the Motion of Twin Lakes Utilities, Inc. to Clarify or Amend Prehearing Conference Order." In its Response the OUCC opposes Twin Lakes' proposed change in the cut-off date to December 31, 2003.

On October 9, 2003, Intervenor Lakes of the Four Seasons Property Owners' Association filed with the Commission its "Response to Motion of Twin Lakes Utilities, Inc. to Clarify or Amend Prehearing Conference Order." In its Response, Intervenor opposed the change in the cut-off date and noted that Petitioner, in seeking inclusion of plant that is not yet in service, has at the same time failed to properly match the revenues from customers who will benefit from the additional investment.

On October 15, 2003, Petitioner filed with the Commission its "Reply of Twin Lakes Utilities, Inc. to OUCC's and Intervenor's Responses to its Motion to Clarify or Amend Prehearing Conference Order." In its Reply, Petitioner offers to update its customer numbers to reflect the additional plant in service. Petitioner argues that neither the OUCC nor Intervenor will be prejudiced if the test year adjustments include additions to plant that are fixed, known and measurable. Finally, Petitioner argues that nowhere do the Commission's rules specify that used and useful additions to plant that are fixed, known and measurable prior to date of the hearing can only be considered if the petitioning utility has complied with

the all the detailed requirements of the Commission's minimum standard filing requirements found at 170 IAC 1-5-1 *et seq.*

On October 22, 2003, Intervenor filed with the Commission its "Supplemental Response to Reply of Twin Lakes Utilities, Inc. in Support of Motion to Amend the Prehearing Conference Order." In its Supplemental Response, Intervenor argues that Petitioner should only be allowed to update its rate base after the close of the test year if Intervenor is given an opportunity to thereafter file responsive testimony.

On October 22, 2003, the OUCC filed with the Commission its "Supplemental Response to the Reply of Twin Lakes Utilities, Inc. to OUCC's and Intervenor's Responses to its Motion to Clarify or Amend Prehearing Conference Order." In its Supplemental Response, the OUCC takes issue with Petitioner's assertion made in an earlier pleading that Petitioner "made no secret of its intent to update the test year . . . to reflect fixed, known and measurable changes to its plant in service accounts . . . ." The OUCC states that Petitioner did not make clear this intent until just before its testimony was prefiled.

On November 14, 2003, the OUCC and Petitioner filed with the Commission their "Joint Motion to Amend Prehearing Conference Order." In their Joint Motion, the two parties set forth their agreement with regard to a change in the cut-off date for Petitioner's used and useful plant. The two parties further set forth their agreement with regard to a modification of the procedural schedule for this Cause.

On November 19, 2003, Intervenor filed with the Commission its "Response to Joint Motion to Amend Prehearing Conference Order." In its Response, Intervenor requests clarification about whether the change in the proposed cut-off dates would allow additional adjustments to be made to items other than Petitioner's plant and the number of customers that are being served. Intervenor further requests that the procedural schedule be adjusted so that the evidentiary hearing would take place in March, 2004 instead of February, 2004 as proposed in the Joint Motion.

Upon reviewing the above pleadings, the presiding officers now determine that an evidentiary hearing should be convened on December 17, 2003, beginning at 9:30 a.m. in Room E-306 of the Commission's offices. Parties should bring to the hearing witnesses and exhibits necessary to facilitate the resolution of the following three issues:

- (1) What change in the cut-off date is needed and why?
- (2) If the cut-off date is changed, what other adjustments should be allowed?
- (3) How should the procedural schedule be modified?

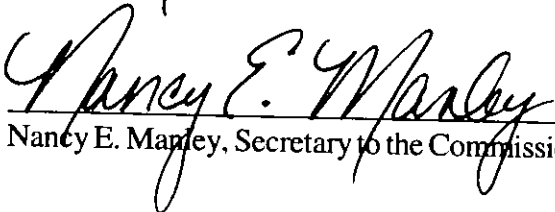
The presiding officers further determine that the procedural schedule established in the September 17, 2003 Prehearing Conference Order should be vacated.

**IT IS SO ORDERED.**

  
Larry S. Landis/Commissioner

  
Gregory S. Colton, Administrative Law Judge

Dated: November 26, 2003

  
Nancy E. Manley, Secretary to the Commission